



CITY OF SACRAMENTO

DEPARTMENT OF LAW
812 TENTH STREET SACRAMENTO, CA 95814
SUITE 201 TELEPHONE (916) 449-5346

JAMES P. JACKSON
City Attorney
THEODORE H. KOBAY, JR.
Assistant City Attorney
SAMUEL L. JACKSON
WILLIAM P. CARNAZZO
LAWRENCE M. LUNARDINI
DIANE B. BALTER
RICHARD F. ANTOINE
TAMARA L. MILLIGAN-HARMON
Deputy City Attorneys

April 30, 1986

Law and Legislative Committee
Sacramento, California

Honorable Members in Session:

**SUBJECT: Resolution - Sacramento - Yolo Port District's
Application to the Foreign Trade Zones Board**

SUMMARY

The Sacramento-Yolo Port District has asked the Council to endorse the District's Application to establish a foreign trade zones. The attached Resolution is designed to show the Foreign Trade Zones Board that there is local support and an economic justification for the establishment of a foreign trade zone in the Port of Sacramento. It is recommended that the City of Sacramento support the Resolution.

BACKGROUND INFORMATION

A foreign trade zone is a defined area considered to be outside the customs territory of the United States, where certain lawful activities can be conducted with a minimum of formality. A zone provides a site at or adjacent to a Customs port of entry where operations involving foreign merchandise can take place, which otherwise might be done abroad for tariff and trade reasons. For example, assembly of merchandise can take place at a zone site. Foreign merchandise may be brought into a zone without being subject to the usual Customs entry procedures and payment of duty.

Upon being granted the privilege of establishing a foreign trade zone, the Sacramento-Yolo Port District will be responsible for supervising the zone's operations. Moreover, a review of the applicable law indicates that a foreign trade zone is within the exclusive jurisdiction of the federal government. Hence, the establishment of a foreign trade zone in the Port of Sacramento will not impose any additional duties or liabilities on the City of Sacramento. It will also not have any effect on direct taxes received by local jurisdictions.

Law and Legislative Committee
April 30, 1986
Page Two

The Foreign Trade Zones Board is authorized to require the zone to comply with lawful regulations of state or municipal agencies which may be applicable to the zone. In addition, the Foreign Trade Zones Board is authorized to cooperate with state and local authorities in the exercise of their police and sanitary powers.

A foreign trade zone in the Port of Sacramento is advantageous in that it is intended to encourage international trade. Additionally, with establishment of a zone, generally new jobs are created.

RECOMMENDATION

It is recommended that the City of Sacramento support the Resolution endorsing the Port Commission's Application to the Foreign Trade Zones Board.

Sincerely,

A handwritten signature in black ink, reading "James P. Jackson". The signature is written in a cursive, flowing style with a large initial "J".

JAMES P. JACKSON
City Attorney

JPJ:rmm

RESOLUTION No.

Adopted by The Sacramento City Council on date of

RESOLUTION ENDORSING SACRAMENTO-YOLO PORT DISTRICT APPLICATION TO OPERATE A FOREIGN TRADE ZONE

WHEREAS, the Sacramento-Yolo Port District is involved in International Trade; and,

WHEREAS, one of the elements in fostering international trade is a Foreign Trade Zone; and,

WHEREAS, the U.S. Customs have revised their regulations effective May 12, 1986, making the establishment of a Zone in Sacramento more economically viable; and,

WHEREAS, the Port Commission of said District has signified its intention to apply to the Foreign Trade Zone Board for a Grant of Authority to operate a Foreign Trade Zone; and,

WHEREAS, it is in the interest of the citizens of Sacramento City for the Port to enjoy the benefits of such a Zone; and,

NOW, THEREFORE, BE IT RESOLVED by the Mayor and members of the Council of the City of Sacramento, that do hereby endorse the application of the Port Commission to the Foreign Trade Zone Board and offers its assistance in fostering that activity.

MAYOR

ATTEST:

CITY CLERK